

January 7, 2000

M-00-05

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND  
ESTABLISHMENTS, CHIEF FINANCIAL OFFICERS, AND INSPECTORS GENERAL

FROM: Deidre Lee /S/  
Acting Deputy Director for Management

SUBJECT: Technical Amendments to OMB Bulletin No. 97-01,  
*Form and Content of Agency Financial Statements*

1. Purpose. This transmittal memorandum contains technical amendments to and clarification of OMB Bulletin No. 97-01, *Form and Content of Agency Financial Statements*, dated October 16, 1996, as amended by OMB Memorandum 99-03, *Technical Amendments to OMB Bulletin No. 97-01, Form and Content of Agency Financial Statements*, dated November 20, 1998. The technical amendments address revised financial statement reporting requirements for fiscal years (FY) 1999 and 2000, except for amendments which may result from new Federal accounting standards (e.g., amendments to multi-use heritage assets). These amendments include the following:

(a) Pursuant to SFFAS No. 14, *Amendments to Deferred Maintenance Reporting*, deferred maintenance is to be presented as required supplementary information rather than as a note disclosure and line item on the statement of net cost with a reference to the note disclosure.

(b) Intra-governmental amounts and the related federal trading partners for assets, liabilities, earned revenue from trade (buy/sell) transactions, and non-exchange revenue are to be presented as required supplementary information. The gross cost to generate earned revenue from trade transactions are to be presented by budget functional classifications as required supplementary information.

(c) The instructions for the statement of net cost require a separate disclosure of intra-governmental gross cost and earned revenue by budget functional classification. This reporting requirement is in addition to the current requirement to disclose total entity gross cost and earned revenue by budget functional classification.

(d) The instructions for the balance sheet clarify form and content guidance previously issued by the Office of Management and Budget (OMB) and require Benefits Due and Payable to be separately reported from Other Liabilities.

(e) The balance sheet presentation may be simplified by:

- i. combining “Entity” and “Non-Entity” assets on the face of the balance sheet, and reporting “Non-Entity” assets in a note disclosure rather than on the statement; and
- ii. combining “Liabilities Covered by Budgetary Resources” and “Liabilities Not Covered by Budgetary Resources” on the face of the balance sheet, and reporting “Liabilities Not Covered by Budgetary Resources” in a note disclosure rather than on the statement.

(f) In accordance with OMB Memorandum 99-03, *Technical Amendments to OMB Bulletin No. 97-01, Form and Content of Agency Financial Statements*, dated November 20, 1998, the authority to prepare a combining statement of budgetary resources and a combined statement of financing is extended through FY 2000.

2. Policy. Financial statements shall be prepared in accordance with the formats and instructions presented in OMB Bulletin No. 97-01, as amended by OMB Memorandum 99-03 and this Attachment. The FY 1999 and FY 2000 financial statements shall be submitted to the Director of OMB no later than the statutory due dates of March 1, 2000, and 2001, respectively. Also, no later than March 6 following the end of the fiscal year, Chief Financial Officers shall submit a copy of their agency’s management representation letter to the: (1) Controller, Office of Federal Financial Management, OMB; (2) Commissioner, Financial Management Service (FMS), Department of the Treasury; and (3) Acting Assistant Comptroller General, Accounting and Information Management Division, General Accounting Office (GAO) (See OMB Bulletin No. 98-08, “Audit Requirements for Federal Financial Statements,” paragraph 6, and subsequent issuances). The OMB, GAO, and FMS will use these letters in conjunction with the preparation and audit of the financial statements of the U.S. Government.

3. Applicability. The amendments to OMB Bulletin No. 97-01 apply to those entities listed in Appendix A and B of OMB Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, and subsequent issuances.

4. Effective Date. The technical amendments described in paragraph 1 (a), (b), (c) and (d) are effective for financial statements prepared for fiscal years ended after September 30, 1998 (FY 1999). The technical amendments described in paragraph 1 (e) and (f) are optional for fiscal years 1999 and 2000.

5. Recent Developments. Recent noteworthy developments in, and changes to, federal accounting and reporting standards for federal governmental entities include the following:

(a) On October 19, 1999, the AICPA Council passed a resolution recognizing that standards promulgated by the Federal Accounting Standards Advisory Board constitute generally accepted accounting principles (GAAP) under Rule 203, “Accounting Principles,” of the AICPA’s *Code of Professional Conduct*. Upon their adoption by OMB, FASAB standards become binding on Federal agencies. Members may now express an opinion that the financial statements of a federal governmental entity are in conformity with GAAP if they are prepared in conformity with accounting principles

promulgated by the FASAB. Pursuant to the resolution, the Statements of Federal Financial Accounting Standards issued since March 1993 are recognized as GAAP for the applicable federal governmental entities.

(b) OMB issued SFFAS No. 15, *Management's Discussion and Analysis* (MD&A), requiring MD&A to be included in each general purpose federal financial report as required supplementary information and identifying subjects that should be addressed in the MD&A. The standards are effective for reporting periods that begin *after* September 30, 1999. See SFFAS No. 15 for reporting requirements.

(c) OMB issued SFFAS No. 17, *Accounting for Social Insurance*, requiring benefits due and payable to be reported separately and requiring the reporting of supplementary stewardship information that facilitates assessing the program's long-term sustainability and the ability of the program to raise resources from future program participants to pay for benefits proposed to present participants. The standards are effective for reporting periods that begin after September 30, 1999. See SFFAS No. 17 for reporting requirements.

6. Inquiries. Further information concerning this memorandum may be obtained by contacting the Office of Management and Budget, Office of Federal Financial Management, Washington, DC 20503, telephone (202) 395-3993.

7. Copies. Individual copies of this memorandum may be obtained from the OMB home page on the Internet at <http://www.whitehouse.gov/OMB/>.

Attachment

**TECHNICAL AMENDMENTS**  
**TO**  
**OMB BULLETIN NO. 97-01,**  
**FORM AND CONTENT OF**  
**AGENCY FINANCIAL STATEMENTS**

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## REQUIRED SUPPLEMENTARY INFORMATION

**Deferred Maintenance.** Deferred maintenance is maintenance that was not performed when it should have been or was scheduled to be performed and that is delayed until a future period. SFFAS No. 14, *Amendments to Deferred Maintenance Reporting*, modifies the presentation of deferred maintenance information in the Annual Financial Statement. Before amendment, this information would have been presented in association with the statement of net cost. As amended, the standards require that deferred maintenance information be included as required supplementary information rather than as a note disclosure. Also, the line item for “deferred maintenance” would no longer be required on the statement of net cost with a reference to the note disclosure.

For general property, plant, and equipment (PP&E), national defense PP&E, heritage assets, and stewardship land, the following information related to deferred maintenance shall be reported as required supplementary information:

- C Identification of each major class of asset for which maintenance was deferred, and
- C The method of measuring deferred maintenance for each major class of asset. See SFFAS Nos. 6 and 14 for detailed guidance on the extent of the disclosures for the condition assessment survey or the total life-cycle cost method. Either method may be used for measuring deferred maintenance.

Management may elect to present stratification of critical and noncritical amounts of maintenance needed to return each major class of asset to its acceptable operating condition. If management elects to make this disclosure, the disclosure should include management's definition of critical and noncritical maintenance. See SFFASs No. 6 and 14.

**Intra-governmental Amounts.** Intra-governmental amounts represent transactions between federal entities included in the Financial Report of the United States Government (formerly the Consolidated Financial Statements of the United States Government). These transactions include activity (consolidated/net of intra-entity transactions) with federal CFO Act and non-CFO Act entities as identified in the Treasury Financial Manual.

Report, as required supplementary information, intra-governmental amounts for: (1) assets; (2) liabilities; (3) non-exchange revenue; and, (4) for certain reporting entities, earned revenue from trade (buy/sell) transactions along with the gross cost to generate such revenue. Report intra-governmental assets, liabilities, earned revenue from trade transactions and non-exchange revenue by trading partner (reciprocal federal entity). Report intra-governmental gross cost to generate earned revenue from trade transactions by budget functional classification. Intra-governmental asset and liability categories reported as required supplementary information should agree with the intra-governmental asset and liability line items reported on the balance sheet.

The intra-governmental supplementary information may be limited to the consolidated agency-wide financial statements. That is, only the 24 executive departments and agencies covered by this bulletin (see Appendix A of OMB Bulletin No. 98-08, and subsequent issuances) are required to report intra-governmental supplementary information in their general purpose federal financial report. The intra-governmental supplementary information reporting requirement does not extend to Federal components (see Appendix B of OMB Bulletin No. 98-08, and subsequent issuances) required to prepare financial statements. All amounts should be net of intra-entity transactions (consolidated).

Transactions with components of federal departments or agencies should not be reported separately but should be included in the activity reported for the federal department or agency. For example, Food and Nutrition Service, Forest Service, and Rural Development Mission Area are not separate federal departments or agencies but are components of the U.S. Department of Agriculture (USDA), which is a federal department. Transactions with Food and Nutrition Service, Forest Service, and Rural Development Mission Area would be included in the supplementary information reported for USDA.

For fiscal years beginning after September 30, 1998 (FY 1999), reporting entities shall reconcile with their trading partners the four fiduciary transactions identified in Treasury's *Intra-governmental Fiduciary Transactions Accounting Guide*. The fiduciary transactions include investments in federal securities issued by the U.S. Department of the Treasury Bureau of the Public Debt; borrowings from Treasury and the Federal Financing Bank; transactions with the Department of Labor relating to the Federal Employees' Compensation Act; and transactions with the Office of Personnel Management relating to employee benefit programs. Furthermore, reporting entities are encouraged to reconcile with their trading partners other intra-governmental asset, liability, and revenue amounts reported in the required supplementary information. Balances reported for "other" asset or liability categories and individual transactions that collectively comprise less than 20 percent of the total asset and liability categories may be excluded from reconciliation.

For fiscal years beginning after September 30, 1999 (FY 2000 and beyond), reporting entities shall reconcile intra-governmental asset, liability, and revenue amounts reported in the required supplementary information with their trading partners at least annually as of the fiscal year end (September 30). Quarterly reconciliations are encouraged. Balances reported for "other" asset or liability categories and individual transactions that collectively comprise less than 20 percent of the total asset and liability categories may be excluded from reconciliation.

**Intra-governmental Assets:** Intra-governmental assets reported as required supplementary information should agree with the intra-governmental asset line items and totals on the reporting entity's consolidated agency-wide balance sheet. For each intra-governmental asset line item on the consolidated agency-wide balance sheet, a corresponding column heading should be reported in the intra-governmental assets supplementary information which identifies the trading partner balances that make up the line item. Reporting entities may aggregate trading partners whose individual totals for a particular asset category collectively comprise less than 20 percent of the total asset line item category. If intra-governmental transactions with a trading partner are material in one asset line item category but immaterial in another asset line item category, report transactions with the trading partner for each asset line item category.

For example, assume a reporting agency has the following intra-governmental assets: Fund Balance with the U.S. Treasury-\$200; Accounts Receivable-\$100 (Agency A-\$82, Agency B-\$9, Agency C-\$4, Agency D - \$5); Loans receivable-\$100 (Agency A - \$5, Agency B-\$90, Agency C-\$5); Investments-\$100 (Agency A-\$32, Agency B-\$50, Agency C-\$18); and Other-\$15 (Agency A-\$2, Agency B-\$15, Agency C-\$2, Agency D - \$1). In this case, the reporting entity's intra-governmental assets may be presented in the supplementary information as follows (this example is for illustrative purposes only):

Intra-governmental assets:

Trading Partner	Fund balance with Treasury	Accounts receivables	Loans receivable	Investments	Other
U.S. Treasury	\$200	-	-	-	-
Agency A	-	\$ 82	5	\$ 32	\$ 2
Agency B	-	9	\$ 90	50	15
Other	-	9	5	18	3
Total	<u>\$200</u>	<u>\$100</u>	<u>\$100</u>	<u>\$100</u>	<u>\$ 20</u>



**Intra-governmental Liabilities:** Intra-governmental liabilities reported as required supplementary information should agree with the intra-governmental liability line items and totals on the reporting entity's consolidated agency-wide balance sheet. For each intra-governmental liability line item on the consolidated agency-wide balance sheet, a corresponding column heading should be reported in the intra-governmental liabilities supplementary information which identifies the trading partner balances that make up the line item. If intra-governmental transactions with a trading partner are material in one liability line item category but immaterial in another liability line item category, report transactions with the trading partner for each liability line item category.

Trading <u>Partner</u>	Accounts <u>payable</u>	Debt/borrowings <u>from other agencies</u>	<u>Other</u>
Agency A	xxx	xxx	xxx
Agency B	xxx	xxx	xxx
Agency C	xxx	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

**Intra-governmental Earned Revenues and Related Costs:** For FY 1999, agencies with total intra-governmental earned revenues from trade transactions (net of intra-entity activity) greater than \$2 billion shall report such intra-governmental revenues by trading partner. For FY 2000, agencies with total intra-governmental earned revenues from trade transactions (net of intra-entity activity) greater than \$500 million shall report such revenues by trading partner. Agencies reporting intra-governmental earned revenues should also report, by budget functional classification, the gross cost of goods, services, and other transactions which generated the intra-governmental earned revenues. For example, a providing/selling agency should report the gross cost of providing products or services to an acquiring agency.

<u>Trading Partner</u>	<u>Earned revenue</u>
Agency A	xxx
Agency B	xxx
Agency C	xxx
Agency D	<u>xxx</u>
Total	<u>xxx</u>

  

<u>Budget Functional Classification</u>	<u>Gross Cost to Generate Revenue</u>
Classification A	xxx
Classification B	xxx
Classification C	xxx
Classification D	<u>xxx</u>
Total	<u>xxx</u>

**Intra-governmental Non-exchange Revenue:** Agencies shall report, by trading partner, intra-governmental non-exchange revenues transferred in and out.

<u>Trading Partner</u>	<u>Non-exchange Revenue</u>	
	<u>Transfers-In</u>	<u>Transfers-Out</u>
Agency A	xxx	xxx
Agency B	xxx	xxx
Agency C	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>

## INSTRUCTIONS FOR THE BALANCE SHEET

The following amendments to the balance sheet clarify form and content guidance previously issued by OMB. Also, Benefits Due and Payable is required to be separately reported from Other Liabilities.

**Other Assets.** The “Other” assets category shall include assets that are not reported in a separate category on the face of the balance sheet. An asset category that does not warrant separate recognition on the face of the balance sheet because management has determined that the balance for the category is not significant, shall be included in the “Other” assets line item and disclosed in the notes to the financial statement.

**Environmental and Disposal Costs.** SFFAS No. 5 provides criteria for recognizing a contingent liability and shall be applied to determine if cleanup costs should be recognized as liabilities and/or disclosed in the notes. SFFAS No. 6 supplements the liability standard by providing guidance for recording cleanup costs related to general PP&E and stewardship assets used in Federal operations. The guidance applies to cleanup costs from Federal operations known to result in hazardous waste which the Federal Government is required by Federal, State and/or local statutes and/or regulations to cleanup. Depending on the materiality of the amount, the liability for cleanup costs may be displayed separately or included with other liabilities. The footnote disclosures required for liabilities associated with cleanup costs are also described in SFFAS No. 6.

**Benefits Due and Payable.** These are amounts owed to program recipients or medical service providers as of the balance sheet date that have not yet been paid. These amounts include payables by the Federal entity for benefits, goods or services provided under the terms of a benefits program (other than Federal employee and veterans’ benefits programs), whether or not such amounts have been reported to the Federal entity (e.g., estimated payments due to health providers for services that have been rendered and that will be financed by the Federal entity but have not yet been reported to the Federal entity). Benefit programs reported on this line item include, but are not limited to, Federal Old-Age and Survivors Insurance, Federal Hospital Insurance (Medicare Part A), Federal Supplemental Medical Insurance (Medicare Part B), Grants to States for Medicaid, Federal Disability Insurance, Supplemental Security Income, Railroad Retirement, Unemployment Insurance, and Black Lung.

**Other Liabilities.** This line item covers liabilities that are not recognized in specific categories. It includes (but is not limited to): capital leases, insurance, advances and prepayments, deposit fund amounts held in escrow, and accrued liabilities related to ongoing continuous expenses such as Federal employee salaries and accrued employee annual leave. This item also covers estimated losses for claims or other contingencies if (1) a past event or exchange transaction has occurred (e.g., a Federal entity has breached a contract with a non-Federal entity) as of the date of the statements, (2) a future outflow or other sacrifice of resources is probable, and (3) the future outflow or sacrifice of resources is measurable (i.e., the amount can be reasonably estimated). Do not include cleanup costs which shall be reported as environmental and disposal costs. Examples of claims or other contingencies include: (1)

indemnity agreements -- reimbursements due to licensees or contractors for losses incurred in support of Federal activities; (2) adjudicated claims -- claims against the Federal Government that are in the process of judicial proceedings; and (3) commitments to international institutions -- payments due to international financial institutions. Separate reporting of items within other liabilities is appropriate if the amounts are material.

**Commitments and Contingencies.** A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity. The uncertainty should ultimately be resolved when one or more future events occur or fail to occur. The likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from probable to remote. SFFAS No. 5, as amended by SFFAS No. 12, contains the criteria for recognition and disclosure of contingent liabilities. In addition to the contingent liabilities required by SFFAS No. 5, the following shall also be disclosed: (1) an estimate of obligations related to canceled appropriations for which the reporting entity has a contractual commitment for payment, and (2) amounts for contractual arrangements which may require future financial obligations (commitments), e.g., undelivered orders.

## INSTRUCTIONS FOR OPTIONAL BALANCE SHEET

For FYs 1999 and 2000, the balance sheet may be simplified. That is, entity and non-entity assets may be combined on the face of the balance sheet and non-entity assets shall be disclosed in the footnotes. Also, liabilities covered by budgetary resources and liabilities not covered by budgetary resources may be combined on the face of the balance sheet and liabilities not covered by budgetary resources shall be disclosed in the footnotes.

This technical amendment is optional for FYs 1999 and 2000. If elected, the current balance sheet instructions and the related note disclosures would be superseded by the following guidance. The amendments will be required for fiscal years ending after September 30, 2000 (FY 2001). Early implementation is encouraged.

**Entity and Non-entity Assets.** Combine entity and non-entity assets on the face of the balance sheet, e.g., entity intra-governmental accounts receivable and non-entity intra-governmental accounts receivable shall be combined and reported as a single intra-governmental accounts receivable line item on the face of the balance sheet. Disclose non-entity assets in a note to the financial statements (see the illustrative format on page 13).

**Negative Subsidies and Downward Re-Estimates of Subsidy.** Special receipt accounts for negative subsidies and downward subsidy re-estimates are to be included in the credit reporting entity's financial statements. Any assets in the accounts are non-entity assets and are offset by intra-governmental liabilities covered by budgetary resources.

**Liabilities Covered and Not Covered by Budgetary Resources.** Combine liabilities covered by budgetary resources with liabilities not covered by budgetary resources on the face of the balance sheet, e.g., intra-governmental accounts payable covered by budgetary resources and intra-governmental accounts payable not covered by budgetary resources shall be combined and reported as a single intra-governmental accounts payable line item on the face of the balance sheet. Disclose liabilities not covered by budgetary resources in a note to the financial statements (see the illustrative format on page 17).

**Federal Employee and Veterans' Benefits.** Entities that are responsible for accounting for pensions, other retirement benefits, and other post-employment benefits should calculate and report these liabilities and related expenses in accordance with SFFAS No. 5. Liabilities for federal employee and veterans' benefits include the actuarial portion of these benefits. They do not include liabilities related to ongoing continuous expenses such as employees' accrued salary, accrued annual leave, and the unpaid portion of employee benefits and other benefits that are currently due, which are reported in the "Other" liabilities line item. Disclose in the notes to the financial statements the actuarial liabilities, assumptions used to compute the actuarial liabilities, and the components of expense for the period for pensions, other retirement benefits, and other post-employment benefits.

## OPTIONAL BALANCE SHEET FORMAT

Department/Agency/Reporting entity  
Consolidated Balance Sheet  
As of September 30, XXXX  
(in dollars/thousands/millions)

### Assets (Note 17):

#### Intra-governmental:

Fund balance with Treasury (Note 2)	\$ xxx
Accounts receivable (Note 5)	xxx
Loans receivable	xxx
Investments (Note 4)	xxx
Other (Note 6)	<u>xxx</u>
Total intra-governmental	<u>xxx</u>

Cash and other monetary assets (Note 3)	xxx
Investments (Note 4)	xxx
Accounts receivable (Note 5)	xxx
Taxes receivable (Note 5a)	xxx
Loans receivable and related foreclosed property (Note 7)	xxx
Inventory and related property (Note 8)	xxx
General property plant and equipment (Note 9)	xxx
Other (Note 6)	<u>xxx</u>

Total assets	\$ <u>x,xxx</u>
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The accompanying notes are an integral part of these statements.

Liabilities (Note 18):

Intra-governmental:

Accounts payable	\$ xxx
Debt (Note 10)	xxx
Other (Notes 11, 12 and 14)	<u>xxx</u>
Total intra-governmental	<u>xxx</u>

Accounts payable	xxx
Loan guarantee liability (Note 7)	xxx
Debt held by the public (Note 10)	xxx
Federal employee and veterans' benefits (Note 13)	xxx
Environmental and disposal costs (Note 17)	xxx
Benefits due and payable	xxx
Other (Notes 11, 12 and 14)	<u>xxx</u>
Total liabilities	<u>x,xxx</u>

Commitments and contingencies (Note 16)

Net position

Unexpended appropriations (Note 15)	xxx
Cumulative results of operations	<u>xxx</u>
Total net position	<u>xxx</u>

Total liabilities and net position	\$ <u><u>x,xxx</u></u>
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The accompanying notes are an integral part of these statements.

## NOTES TO OPTIONAL BALANCE SHEET

**Required note disclosure when entity and non-entity assets are combined on the face of the balance sheet:**

### **Note 17. Non-entity Assets**

Intra-governmental:	
Fund balance with Treasury	\$ xxx
Accounts receivable	xxx
Loans receivable	xxx
Investments	xxx
Other	<u>xxx</u>
Total intra-governmental	xxx
Cash and other monetary assets	xxx
Accounts receivable	xxx
Taxes receivable	xxx
Loans receivable and related foreclosed property	xxx
Inventory and related property	xxx
Other	<u>xxx</u>
Total non-entity assets	x,xxx
Total entity assets	x,xxx
Total assets	\$ <u>xx,xxx</u>

Other information: \_\_\_\_\_

Disclose intra-governmental non-entity assets separately from other non-entity assets. Also provide other information needed to understand the nature of non-entity assets.



**Required note disclosure when entity and non-entity assets are combined on the face of the balance sheet:**

**Note 2. Fund Balance with Treasury:**

A. Fund Balances:

(1) Trust Funds	\$ xxx
(2) Revolving Funds	xxx
(3) Appropriated Funds	xxx
(4) Other Fund Types	<u>xxx</u>
Total	\$ <u>xxx</u>

B. Other information: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Instructions.**

A. **Fund Balances.** The total of all undisbursed account balances with the U.S. Treasury, as reflected in the entity's records and summarized by fund type. Line (4), other fund types, should include balances in deposit accounts, such as for collections pending litigation, awaiting determination of the proper accounting disposition, or being held by the entity in the capacity of a banker or agent for others. If any of the balances under other fund types are material, list them separately.

B. **Other Information.** Disclose any other information necessary for understanding the nature of the fund balances.

**Required note disclosure when entity and non-entity assets are combined on the face of the balance sheet:**

**Note 3. Cash, Foreign Currency and Other Monetary Assets:**

A. Cash	\$ xxx
B. Foreign Currency	xxx
C. Other Monetary Assets	
(1) Gold	xxx
(2) Special Drawing Rights	xxx
(3) U.S. Reserves in the International Monetary Fund	xxx
(4) Other	<u>xxx</u>
(5) Total Other Monetary Assets	<u>xxx</u>
D. Total Cash, Foreign Currency and Other Monetary Assets	\$ <u>xxx</u>
E. Other information:	_____

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**Instructions.** Report the amount of Cash, Foreign Currency and Other Monetary Assets.

A. **Cash.** The total of cash under the control of the reporting entity, which includes coin, paper currency, purchased foreign currency, negotiable instruments, and amounts on deposit in banks and other financial institutions. Cash available for agency use should include petty cash and cash held in revolving funds which will not be transferred to the general fund.

B. **Foreign Currency.** The total U.S. dollar equivalent of non-purchased foreign currencies held in foreign currency fund accounts.

C. **Other Monetary Assets.** This amount represents other items, including gold, special drawing rights, and U.S. Reserves in the International Monetary Fund.

D. **Total Cash, Foreign Currency, and Other Monetary Assets.** The sum of lines A, B, and C(5).

E. **Other Information.** Disclose as other information any restrictions on cash. Restricted cash includes holdings which are unavailable for agency use (non-entity cash) and have not been transferred to the general fund. Restricted cash also includes cash held in escrow to pay property taxes and insurance related to property associated with defaulted loans. Disclose any restrictions on the use or conversion of cash denominated in foreign currencies , and the significant effects, if any, of changes in the exchange rate on the entity's financial position that occur after the end of the reporting period but before the issuance of financial statements. Provide other information, as appropriate, such as the valuation rate of gold.

**Required note disclosure when entity and non-entity assets are combined on the face of the balance sheet:**

**Note 5. Accounts Receivable:** Present the gross receivables, the method used to estimate the allowance for uncollectible accounts, and the net amount due. Do not include receivables related to direct or guaranteed loans which are reported in Note 7.

**Note 6: Other Assets:**

A. 1. Intra-governmental

(1) _____	\$ xxx
(2) _____	xxx
(3) _____	<u>xxx</u>
Total Intra-governmental	xxx

2. _____	xxx
3. _____	xxx
4. _____	<u>xxx</u>
Total Other Assets	\$ <u>xxx</u>

B. Other information: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Instructions.**

A. List and describe the major homogenous components of other assets.

B. Provide other information needed to understand the nature of other assets.

**Required note disclosure when liabilities covered and liabilities not covered by budgetary resources are combined on the face of the balance sheet:**

**Note 18. Liabilities Not Covered by Budgetary Resources**

Intra-governmental:	
Accounts payable	\$ xxx
Debt	xxx
Other	<u>xxx</u>
Total intra-governmental	<u>xxx</u>
Accounts payable	xxx
Loan guarantee liability	xxx
Debt held by the public	xxx
Federal employee and veterans' benefits	xxx
Environmental and disposal liabilities	xxx
Benefits due and payable	xxx
Other	<u>xxx</u>
Total liabilities not covered by budgetary resources	x,xxx
Total liabilities covered by budgetary resources	<u>x,xxx</u>
Total liabilities	\$ <u>xx,xxx</u>

Other information: \_\_\_\_\_

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Disclose intra-governmental liabilities not covered by budgetary resources separately from other liabilities not covered by budgetary resources. Also provide other information needed to understand the nature of liabilities not covered by budgetary resources.

**Required note disclosure when liabilities covered and liabilities not covered by budgetary resources are combined on the face of the balance sheet:**

**Note 11. Other Liabilities:**

	Non- <u>Current</u>	<u>Current</u>	<u>Total</u>
A. 1. Intra-governmental			
(1) _____	\$ xxx	\$ xxx	\$ xxx
(2) _____	xxx	xxx	xxx
(3) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Intra-governmental	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
2. _____	xxx	xxx	xxx
3. _____	xxx	xxx	xxx
4. _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Other Liabilities	\$ <u>xxx</u>	\$ <u>xxx</u>	\$ <u>xxx</u>

B. Other Information: \_\_\_\_\_  
\_\_\_\_\_

**Instructions.**

A. **Other Liabilities.** Include all liabilities not reported elsewhere. Separately report disclose the current portion of other liabilities.

B. **Other Information.** Provide other information necessary for understanding other liabilities.

**Required note disclosure when liabilities covered and liabilities not covered by budgetary resources are combined on the face of the balance sheet:**

**Note 13. Federal Employee and Veterans' Benefits**

Entities that are responsible for administering pensions, other retirement benefits, and other post-employment benefits should calculate and report these liabilities and related expenses in accordance with SFFAS No. 5.

The following are the minimum disclosures required for pensions and other retirement benefits:

- The assumptions used to calculate the liability. (In the case of a pension plan that uses assumptions that differ from those used by the primary plans, the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), and the Military Retirement System (MRS), the pension plan using the different assumptions should disclose how and why the assumptions used differ from those of the primary plans.)
- Separate disclosure of the individual components of expense for the period. (i.e., the normal cost, interest on the liability for the period, prior and past service cost from plan amendments during the period, if any, any gains/losses due to a change in the medical inflation rate assumption, and other actuarial gains or losses during the period, if any)

## INSTRUCTIONS FOR THE STATEMENT OF NET COST

For FY 1999 and beyond, intra-governmental gross cost and earned revenue shall be disclosed in the notes by budget functional classification. This reporting requirement is in addition to the current requirement to disclose total entity gross cost and earned revenue by budget functional classification.

### Footnote Disclosure Related to the Statement of Net Cost

**Gross Cost and Earned Revenue by Budget Functional Classification.** Disclose gross cost and earned revenue, by budget functional classification, for (1) the reporting entity and (2) transactions with intra-governmental entities. Gross cost and earned revenue should be net of intra-entity transactions (consolidated). Disclosure of gross cost and earned revenue by budget functional classification may be limited to the consolidated agency-wide financial statements. That is, only the 24 executive departments and agencies covered by this bulletin (see Appendix A of OMB Bulletin No. 98-08, and subsequent issuances) are required to disclose gross cost and earned revenue by budget functional classification in a note. See the Treasury Financial Manual for budget functional classifications.

#### Gross Cost and Earned Revenue by Budget Functional Classification:

Functional

<u>Classification</u>	<u>Gross Cost</u>	<u>Earned Revenue</u>	<u>Net Cost</u>
Classification A	xxx	xxx	xxx
Classification B	xxx	xxx	xxx
Classification C	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

**Instructions:** Balances disclosed in the footnote disclosure should agree with the balances reported on the face of the statement.

#### Intra-governmental Gross Cost and Earned Revenue by Budget Functional Classification:

Functional

<u>Classification</u>	<u>Gross Cost</u>	<u>Earned Revenue</u>	<u>Net Cost</u>
Classification A	xxx	xxx	xxx
Classification B	xxx	xxx	xxx
Classification C	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

**Instructions:** Intra-governmental amounts include activity that arise from transactions with Federal entities. These amounts are transactions of a Federal entity with other Federal entities.

## **INSTRUCTIONS FOR THE STATEMENTS OF BUDGETARY RESOURCES AND FINANCING**

In accordance with OMB Memorandum 99-03, *Technical Amendments to OMB Bulletin No. 97-01, Form and Content of Agency Financial Statements*, dated November 20, 1998, the authority to prepare a combining statement of budgetary resources and a combined statement of financing is extended through FY 2000.